

## Message Text

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ACTION IO-14

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E.O. 11652: N/A  
TAGS: OCON UNIDO

SUBJECT: UNIDO-FOURTH SESSION OF PERMANENT COMMITTEE

REF: A. VIENNA 3537  
B. USUN 1458

SUMMARY: UNDER CONSTANT BUT GENTLE PRODDING OF CHAIRMAN FERNANDINI, PC FINISHED SUBSTANTIVE AGENDA ITEMS AHEAD OF SCHEDULE EVENING APRIL 24. REMAINDER OF TIME DEVOTED TO PROCEDURAL MATTERS RELATED UNIDO-II PREPARATIONS AND ADOPTION OF REPORT. THERE YET REMAINS POSSIBILITY THAT LDCS MAY INTERJECT LAST MINUTE TROUBLESONE RESOLUTIONS ON OPERATIONAL PROGRAMS. END SUMMARY.

1.BASIC DIFFERENCES BETWEEN GROUP OF 77 AND INDUSTRIALIZED COUNTRIES IMPLICIT IN MUCH OF DISCUSSION ON OPERATIONAL PROGRAMS BUT SURFACED IN ACUTE FORM WHEN AFRICAN GROUP PROPOSED THAT LDCS HOLD UNIDO-SERVICE MINISTERIAL-LEVEL MEETING TO FORMULATE LIMITED OFFICIAL USE

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COMMON POSITION ON UNIDO-II WHICH WOULD BE PRESENTED

TO OTHER GROUPS AT CONFERENCE. WHILE ISSUE OF UNIDO SERVICING OF PROPOSED MEETING STILL HANGING, GENERAL TENOR OF REMARKS WHICH FOLLOWED DESIGNED TO STRESS NEED FOR COOPERATION RATHER THAN CONFRONTATION. TUNISIA, PHILIPPINES AND INDIA PRINCIPAL SPOKESMEN ON THIS THEME FOR LDC SIDE. GROUP B, WHICH STRESSED NEED FOR PROCESS THAT WOULD FACILITATE INTERGROUP DISCUSSIONS PRIOR TO CONFERENCE, INTENDS TAKE LINE IT WOULD BE INAPPROPRIATE FOR SECRETARIAT TO SERVICE SUCH A MEETING WHICH EXCLUDES SUBSTANTIAL NUMBER OF MEMBERS OF PREPARATORY COMMITTEE. AS WAS CASE AT PC-II LAST APRIL, NIGERIAN REP AWOKOYA, OFTEN ACTING AS SPOKESMAN FOR AFRICAN GROUP, HAS BEEN PRINCIPAL CHAMPION OF LDC CAUSES, USING FULL RANGE OF CONFRONTATION TACTICS HE BRINGS FROM UNCTAD EXPERIENCE.

2. ON SPECIFIC OPERATIONAL ACTIVITIES SUCH AS SIS AND INDUSTRIAL DEVELOPMENT FIELD ADVISERS (IDFAS), MOST LDC, AS EXPECTED, BLAMED SHORTCOMINGS ON UNDP PRACTICES, WITH SEVERAL PRESSING FOR FULL UNIDO CONTROL OVER SIS PROGRAM. SECRETARIAT ADMITTED SIS PROGRAM IN "STATE OF CRISIS" BUT WAS DEFENSIVE IN RESPONSES TO SPECIFIC QUERIES AND DECLINED RESPOND TO NIGERIAN REQUEST TO FURNISH ADDITIONAL WRITTEN REPORT ON SIS PROGRAM. US DEL, ALONG WITH OTHER GROUP B DELS, EMPHASIZED THAT SOMETHING WAS BASICALLY WRONG WITH PROGRAM AND THAT THOROUGH INVESTIGATION, IN CONCERT WITH UNDP, SHOULD BE UNDERTAKEN. PLANNED CONCILIATORY STATEMENT BY UNDP REP DELL, MENTIONED REFTEL B, MIGHT HELP, PARTICULARLY IF THERE SOME MENTION OF POSITIVE STEPS UNDP ENVISAGES. HOWEVER, WE EXPECT LDC'S TO PRESS HARD ON THIS ISSUE AT IDB.

3. RE IDFAS, THRUST OF LDC COMMENTS WAS THAT UNDP RECONSIDER DECISION TO FUND MAXIMUM OF 30 FIELD ADVISERS AND THAT EXECUTIVE DIRECTOR FINANCE INCREASES FROM UNIDO REGULAR BUDGET. US, ALONG WITH SOME GROUP B DELS, OPPOSED SET INCREASES IN NUMBER OF FIELD ADVISERS, STRESSING NEED FOR NUMBER OF IDFAS TO CONFORM TO NEEDS OF PROGRAM/BUDGET.

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4. ISSUE OF UPDATING PROGRAM/BUDGET 1974-75 AND SETTING GUIDELINES FOR PROGRAM/BUDGET 1976-77 AND MEDIUM TERM PLAN 1976-79 RESULTED IN CLEAR CUT SPLIT BETWEEN COMMITTEE MEMBERS AND SECRETARIAT ON WHETHER SECRETARIAT HAD RECEIVED SUFFICIENT GUIDANCE. SECRETARIAT VIEW THAT IT NEEDS ADDITIONAL GUIDANCE PROVOKED SHARP RESPONSES FROM US DEL AS WELL AS FRG, UK AND AUSTRIA FOR GROUP B AND INDIA, NIGERIA AND ALGERIA (OBSERVER) FOR LDGS THAT

AD HOC COMMITTEE REPORT AND PAST IDB DECISIONS HAVE INDEED GIVEN SECRETARIAT ADEQUATE GUIDELINES AND AREAS OF PRIORITY WHICH IT SHOULD NOW CONVERT INTO PROGRAM/BUDGETS. IN FACE OF THIS SECRETARIAT BACKED DOWN, WITH QUIJANO-CABALLERO AGREEING THAT SECRETARIAT WOULD ATTEMPT CONVERT RESOLUTIONS AND RECOMMENDAIONS INTO ACTION PROGRAM. IT INTERESTING TO NOTE THAT LDCS WERE JUST AS OUTSPOKEN AS WE ON TAKING SECRETARIAT TO TASK FOR NOT EXERTING LEADERSHIP OR BEING RESPONSIVE IN ELABORATING PROGRAMS BASED ON GENERALLY AGREED CURRENT PRIORITIES SUCH AS AGRO-INDUSTRY, FERTILIZER, LABOR INTENSIVE INDUSTRY, ETC. IN THIS REGARD, MANY DELS STRESSED THAT SECRETARIAT WOULD HAVE TO TAKE ACCOUNT OF RESULTS OF SPECIAL GA SESSION NOW IN COURSE.

5. ON UNIDO-II, PC SITTING AS PREPCOM AGREED TO DISCUSS ONLY PROCEDURAL MATTERS LEAVING SUBSTANCE TO IDB-VIII. INDIAN AMBASSADOR JAIPAL INTRODUCED REPORT OF INTER-GOVERNMENTAL SUBCOMMITTEE (IGS) BUT MIXED PRESENTATION OF REPORT WITH HIS OWN PROPOSALS AS TO WHAT FURTHER ACTION SECRETARIAT SHOULD TAKE. JAIPAL'S PROPOSALS, WHICH WITH AMENDMENTS ACCEPTED BY PREPCOM APRIL 25, LEVIES NEW REQUIREMENTS ON SECRETARIAT RE PRESENTATION OF DOCUMENTATION FOR FUTURE SESSIONS OF PREPCOM. NO DECISION HAS YET BEEN TAKEN AS TO FUTURE OF IGS.

6. ON EVALUATION ITEM, COMMENTS RAN USUAL GAMUT WITH US HIGHLY CRITICAL BOTH OF SECRETARIAT METHODOLOGY AND FAILURE TO ESTABLISH CENTRAL OFFICE AS PROVIDED FOR IN PROGRAM/BUDGET FOR 1974-75. AFIFI, RESPONDING FOR SECRETARIAT, SAID ENTIRE CONCEPT OF EVALUATION NEW AND HIGHLY DIFFICULT AND THAT UNDP PROJECT FORMULATION DID NOT FACILITATE EVALUATION OF UNIDO ACTIVITIES. HE ADDED, LIMITED OFFICIAL USE

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HOWEVER, UNIDO WAS INTERESTED IN IMPROVING ITS CAPABILITY AND APPRECIATED HELP OF AID TRAINING TEAM. HE USED ACABQ CUTS OF REQUESTED PERSONNEL AS JUSTIFICATION FOR SECRETARIAT NOT SETTING UP NEW CENTRAL OFFICE. AT US REQUEST, SMALL DRAFTING GROUP WILL PREPARE FOR IDB RECOMMENDATIONS ON EVALUATION.

7. THUS FAR PERUVIAN AMBASSADOR FERNANDINI HAS PROVEN BUSINESSLIKE CHAIRMAN WHO HAD KEPT HIS OWN INTERVENTIONS TO ABSOLUTE MINIMUM AND HAS PUSHED WORK ALONG AT UNUSUALLY RAPID PACE FOR UNIDO. NOTHING NEW HAS EMERGED ON POSSIBLE SUCCESSOR TO ABDEL-RAHMAN WHO WAS PRESENT AT PC MEETINGS OF LAST TWO DAYS BUT WHO HAS THUS FAR REMAINED SILENT. STIBRAY

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